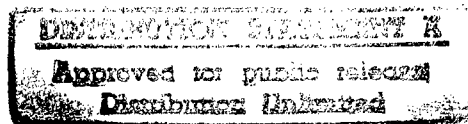


# ***JPRS Report***

## **East Asia**

***Southeast Asia***  
***Vietnam: TAP CHI CONG SAN***  
***No 5, May 1992***

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# East Asia

## Southeast Asia

### Vietnam: TAP CHI CONG SAN

#### No 5, May 1992

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18 August 1992

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## **The 1992 Constitution, the Constitution of Renovation**

923E0013A Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 3-5

### **[Editorial]**

[Text] The 1992 constitution that was recently passed and promulgated by the National Assembly is an important political event in the social life of our country. This marks a new step forward in our country's revolution, it is the result of zealous and widespread intellectual contributions, and it manifests the spirit of democracy and concept of building the country of all strata of people in the country.

Coming into being at a time when our country and the world are experiencing very rapid changes, the 1992 constitution has great political and social meaning:

1. Through the constitution and the basic laws of the country, our people manifest their unshakable will power: to promote all-round renovation in order to build a prosperous and strong country, bring about social fairness, enable everyone to have a happy, prosperous, and free life, and create the conditions for developing in all respects based on the "Program for Building the Country in the Period of Transition to Socialism" and the "Strategy for Economic and Social Stability and Development to the Year 2000" put forth at the seventh party congress. Even though the world situation is undergoing complex changes and many countries have changed paths, our people, under the leadership of the party, are still resolved to follow the path that they chose—the socialist path.

2. The 1992 constitution confirms the very important initial achievements off the renovation movement. At the same time, it affirms and systematizes the party's all-round renovation line in the spheres of economics, politics, culture, society, national defense and security, and reform of the state apparatus. Thus, this has become an important lever in promoting renovation and in building and defending our country in the new stage.

3. As the basic legal tool, the 1992 constitution will enable all strata of people and all citizens of Vietnam to think and act, exploit their conditions and capabilities in participating in production and business, work, study, build and defend the country, and ensure their legitimate interests in society. With this legal tool, the people will be able to advance and struggle against the deviations and obstacles on our country's renovation path.

4. With the experience gained through the process of drafting and promulgating the three previous constitutions (1946, 1959, and 1980) and with the new ideas about formulating laws, particularly formulating a constitution, the 1992 constitution marks a new level with respect to our standards in formulating a constitution and laws. It is the basis for building, reinforcing, and perfecting the judicial system to serve our country's

renovation movement and make an important contribution to building a law-governed state and establishing discipline in all of society through the laws.

It can be said that the 1992 constitution represents all-round renovation. It contains ideological viewpoints and provides a practical basis in accord with the concrete situation on the path to socialism in our country in the coming years.

The guiding idea and main mechanism in the 1992 constitution is to ensure the construction and gradual perfection of socialist democracy and to systematize the relationship between the "people serving as masters, the state managing, and the party leading."

The people serving as masters means that all power belongs to the people. The people exercise state power through the National Assembly and the people's councils, which are elected by the people and which are responsible to the people. State power is centralized in the National Assembly. There is no separation of legislative, administrative, and judicial powers based on the "separation of power" theory. There is only a division of work and tasks among the National Assembly, the government, the People's Supreme Court, and the Supreme People's Organ of Control so that each organization carries out its functions and exercises its powers properly and manifests its role. At the same time, there must be close cooperation and coordination with the other organizations. The integrated strength of state power under the leadership of the party must be built up.

The people are the masters of the country. People's rights must be respected and protected. People have the right to enjoy democratic freedoms. At the same time, they must fulfill their basic obligations as citizens. The legitimate freedoms of individuals must be coordinated with the requirements of social life, individual interests must be coordinated with social interests, and there must be coordination between those rights and obligations and the conditions and capabilities for implementing them.

The state manages things on the premise that the state is of the people, by the people, and for the people. It uses the alliance between the workers and the peasants and intellectuals as the foundation under the leadership of the communist party. The political base of the state is the Fatherland Front and its member organizations. The state apparatus must be organized suitably, and it must operate in accord with the country's situation and conditions and in accord with the economic structure and new economic management mechanism. The position and role of the National Assembly must continue to be elevated and manifested. The National Assembly must have better conditions so that it can operate effectively and stop operating in just a formal manner.

The constitution clearly manifests the view that our state is organized and operates based on the principles of democratic centralism, unification of powers, and coordination of collective work methods with the full manifestation of the rights and responsibilities of individuals.

The state manages society using the laws. The laws are the tools of the state alone. Laws are promulgated so that the state can manage the country in all respects. Obeying the constitution and laws is the obligation of every citizen and, above all, of the state, economic, and social organizations and people's armed forces. All violations of the law, regardless of who committed the violation, must be handled in accord with the law.

Our state is implementing a policy of peace and friendship. It is expanding exchanges and cooperation with all countries in the world without regard to the different political and social systems based on respect for the independence, sovereignty, and territorial boundaries of each other, non-interference in each other's internal affairs, and equality and mutual benefit.

The 1992 constitution strongly affirms the leadership role of the communist party in our country, the role entrusted to it by history and recognized by the people. The Communist Party of Vietnam, the vanguard of the Vietnamese working class and the loyal representative of the rights of the working class, the laboring people, and of the entire nation, is, in accord with Marxism-Leninism and Ho Chi Minh thought, the force that leads the state and society. All party organizations must operate within the framework of the constitution and laws. The communist party is a member of the Fatherland Front, an organization whose primary role is to solidify and strengthen national solidarity and unity.

A point worth noting is that the 1992 constitution has renovated almost all the articles concerning economic measures and base activities, and it is the center of the renovation movement in our country today. The economic measures stipulated in the 1992 constitution affirm the long-term existence of a multifaceted commodity economy that operates based on a socialist-oriented market mechanism controlled by the state. The multifaceted economic structure is based on a system of all-people ownership, collective ownership, and private ownership, with all-people ownership and collective ownership serving as the foundation. The goal of all the economic policies is to enable the people to prosper and the country to become strong, to satisfy better and better the material and spiritual needs of the laboring people based on freeing the productive capabilities and exploiting the potential of the state, collective, individual, private capitalist, and state capitalist economic elements using many forms, to promote building the material and technical base, and to expand economic and scientific and technical cooperation and interchange with world markets. The state economy has been solidified and developed in many key sectors and spheres, and it has the strength to play a guiding role in the national economy. The individual and private capitalist economies will be allowed to form production and commercial organizations and enterprises, which will not be limited with respect to scale of operations in sectors that will benefit the national welfare and people's

livelihood. The production and commercial bases subordinate to economic elements must fulfill all their obligations to the state. They are all equal before the law, and their legitimate capital and assets will be protected by the state.

The 1992 constitution has confirmed that the culture preserved and developed by the state and society in a multifaceted commodity economy has the following nature and special characteristics: nation, modern, and humanitarian. We must inherit and manifest the precious values of Vietnamese national literature and the ideas, morals, and style of Ho Chi Minh. We must accept the cultural essence of mankind and exploit the creative talents of the people. The constitution opposes reactionary ideas and culture, degeneracy, superstition, and corrupt customs. In such economic and cultural conditions, the target of education is to form and strengthen the character, quality, and capabilities of our citizens, train skilled laborers who are energetic and creative, and satisfy the requirements of building and defending the fatherland. The state must unify and manage the national educational system (which includes all types of schools).

The 1992 constitution stipulated the functions and tasks of the fatherland defense forces, which includes the people's public security forces, in greater detail in order to maintain national security and social order and to block and prevent crime.

Having a constitution to satisfy the requirements of the new revolutionary stage is very important, but what is even more important is that that constitution must be implemented in daily life. In order to strictly enforce the 1992 constitution:

Using suitable forms of information and propaganda, we must enable all citizens to clearly understand the role and grasp the basic contents of the constitution, particularly the contents that are directly related to each citizen, so that all people obey the constitution and struggle to defend it. Through this, the concept of obeying the law must be elevated, and the constitution must be used as the basic legal tool among the cadres and people.

The state organizations, economic and social organizations, and armed forces have a very important role in defending the constitution and the laws. They must set an example in implementing the articles of the constitution and overcome violations of the laws in their activities.

Based on the articles of the constitution and the spirit of obeying the constitution, on one hand the organizations responsible must reexamine the existing legal systems and revise, supplement, and perfect them in accord with the spirit and contents of the constitution. On the other hand, they must strengthen and build new codes and laws and satisfy the requirements of implementing the constitution and the needs of life.

We must have an organization to monitor the implementation of the constitution and to discover and block illegal activities in the operating spheres of the state, economic, and social organizations and the people. In each specific period, the organizations responsible for formulating laws must, depending on the development of the situation, make proposals on revising the constitution in order to perfect it.

**Revise the Constitution, Build a Law-Governed Vietnamese State, and Step Up Renovation**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 6-11

[Article by Do Muoi; published in FBIS-EAS-92-059, 26  
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**To Contribute To Understanding Ho Chi Minh Thought***92SE0013B Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 12-15*

[Article by Dao Duy Tung]

[Text] Ho Chi Minh thought, the product of the creative application of Marxism-Leninism to Vietnamese realities, is very rich and covers many spheres. In those spheres, Ho Chi Minh left the mark of an intellectual genius. Studying Ho Chi Minh thought in order to gain a clearer and more profound understanding of the scope, scale, and depth of the valuable inheritance left by Ho Chi Minh requires much labor by many researchers. In order to contribute to this research, I would like to give my views on a number of elements in Ho Chi Minh thought, particularly his theoretical views on revolution.

First, a major and profound idea left us by our beloved President Ho is that his entire life spent carrying on revolutionary activities both here and abroad was devoted to the people and the country. It was devoted to liberating the nation and the people. This is manifested very succinctly in the statement: "I have only one desire. My highest hope is to somehow enable the country to become independent, to see the people completely free, and to see everyone with food, clothing, and a chance to study." [Footnote 1] [Ho Chi Minh, "Selected Works," Su That Publishing House, Hanoi, 1980, vol 1, p 381] "If the country is independent but the people are not happy and free, independence is meaningless." [Footnote 2] [Ho Chi Minh, "Collected Works," Su That Publishing House, Hanoi, 1984, vol 4, p 35] That was President Ho's wish for the people of Vietnam, and that was his wish for the peoples of other nations. That was his ideal and combat target throughout this life. That ideal and that target were not formed suddenly but in specific historical conditions: the traditions of his family, native country, and nation and the realities of the country and of the world during time that he lived. His ideals were fully formed and had a scientific basis when he moved from patriotism to Marxism-Leninism. The important thing is that President Ho presented that ideal to the people and guided the people in turning this into reality. Clarifying the contents, targets, and ideals chosen by President Ho and the scientific basis of those targets and ideas is very important, particularly in the present situation.

Second, through the process of studying the difficulties, President Ho found a path to hit those targets and achieve those ideals. That was the path of tying national independence to socialism, which our party later referred to as the line of raising high the banner of national independence and socialism. With this idea, President Ho correctly resolved the relationship between nation and class, our country and the international community, national independence and socialism, national tasks and international tasks, and so on. This shows his genius in developing Marxist-Leninist theory

on revolution in colonial countries. The idea of raising high the banner of national independence and socialism is the red thread running through the history of Vietnam's revolution from when the party began leading until today and from today into the future. In order to deeply understand the idea of raising high the banner of national independence and socialism, we must spend much more time and effort studying the important viewpoints of President Ho, such as "there is nothing more precious than independence and freedom," "the only way to save the country is the path of proletarian revolution," the relationship between the revolutions in the colonial countries and the proletarian revolution in the capitalist countries with the image of the two wings of a bird and the image of "a leech with two mouths," the relationship between the nationalist revolution and the socialist revolution, and so on.

The above problems contain the creative theoretical elements of President Ho. For example, he mentioned the view that the revolution in the colonial countries is closely related to but not dependent on the proletarian revolution in those countries and that victory can be won before the proletarian revolution in the "home country" succeeds. President Ho's idea that there is "nothing more precious than independence and freedom," which contains a very rich theme and a great truth that is concise and easy for people to understand, is the product of long scientific thinking. This is not only a summary of the great and profound hopes, dreams, and requirements but also a summary of the victories and defeats and of the lessons learned in the struggle to seize control of the country during the thousands of years of history of our nation. "There is nothing more precious than independence and freedom" is not only a target and the guiding motto in the struggle for independence but also the sacred appeal by the country that has motivated the people to make sacrifices to strive and to protect their lives. That this sacred appeal arose in Vietnam was only natural, because Vietnam has a tradition of fiercely resisting foreign aggression. The meaning and scope of the slogan "there is nothing more precious than independence and freedom" have spread beyond the borders of our country. Many nations regard this as the truth.

When conducting studies in order to apply the idea of raising high the banner of national independence and socialism, the party has given much attention to President Ho's ideas on building socialism, particularly in the present renovation situation. President Ho did not give an in-depth definition of socialism. From his easily-understandable statements, we can see that his viewpoint on socialist construction in Vietnam was to build a prosperous country in which the people are free and happy and in which the laboring people are the masters of the country. In order to hit this target, a socialist revolution must be carried on in the spheres of production relationships, production forces, and the superstructure. The party must be both the leader and the servant of the people. The party must be strong and pure, and the state must be a state of the people, by the people, and for

the people. To have socialism, there must be socialists. Socialist construction is the work of the people. Our party is using President Ho's ideas on socialist construction in renovating things and in leading the country in the transition to socialism.

Third, in talking about Ho Chi Minh thought, we must talk about his great creativity with respect to revolutionary methods. These are integrated revolutionary methods. With these methods, the party has exploited the potential and forces and had the strength to defeat the enemy forces. That is the strength of the political force of the masses in conjunction with Armed Forces, the strength of our traditions in conjunction with modern strengths, and the strength of the people in conjunction with the strength of the present age. The method of violent revolution was applied creatively to our country's conditions. This can be seen very clearly in the directive given by President Ho on establishing "Vietnam to propagandize military liberation," in the policy on local uprisings, in the formation of revolutionary base zones, in the August 1945 General Uprising, and in the policy of all-people and all-round resistance during the resistance against the French colonialists. And during the resistance against America for national salvation, this revolutionary method reached a high point.

This integrated revolutionary method is valuable not only in providing guidance in waging war but also in providing guidance in building socialism. When the party put forth the policy of carrying on three revolutions (today, we refer to this as carrying on the socialist revolution in the spheres of production relations, production forces, and the superstructure), it meant that we were applying this integrated revolutionary method in the new conditions. Or today, in order to exploit the potential of the people and of the country to expand production, the party is implementing a multi-faceted economic policy and advocates expanding cooperation and joint ventures.

Fourth, Ho Chi Minh thought is also manifested very clearly in his very brilliant strategic and tactical guidance. In the process of our country's revolution, many problems arose with respect to strategic and tactical guidance: the relationship between the task of resisting imperialism and resisting feudalism in the national democratic revolution; the relationship between the socialist revolution in the north and the national democratic revolution in the south; the relationship between the basic targets and the immediate targets; the problem of creating opportunities and seizing the opportunities; the problem of using the conflicts among our enemies; the problem of winning victories and gradually advancing to winning complete victory; and so on. Guiding strategy in order to correctly solve the above problems was very difficult and complex. This required great political sensitivity, creative wisdom, much experience, the ability to accurately evaluate the situation, and high resolve. President Ho was a person who manifested those qualities,

and he taught us the arts of strategic and tactical guidance in the revolution. The eighth plenum of the Central Committee, which was held in 1941 and which was presided over by President Ho, made major decisions on revising the strategy. In this, the decision to temporarily put aside the slogan of demanding land and the policy of creating and seizing opportunities to win victory in the August 1945 General Uprising and the signing of the preliminary agreement of 6 March 1946 are concrete proof of President Ho's genius in guiding strategy and tactics. President Ho was a man of historical decisions at a turning point in history. Today, the party is using his ideas in accord with the new conditions in order to solve the problems that have arisen in the renovation process and in building socialism and defending the fatherland.

Fifth, President Ho was not only an important thinker and talented strategist but also a great organizer with very creative views on organization. Lenin once said: Organize, organize, organize: "Give us an organization of revolutionary people and we will turn Russia upside down." [Footnote 3] [Lenin, "Collected Works," Progress Publishing House, Moscow, 1978, vol 6, p 162] Throughout his life, President Ho carried on organizational activities, both here and abroad. He was the person who founded and forged our party. He was the person who founded the united national front, the people's armed forces, and the people's regime. His theoretical views in the organization sphere hold a very important position in Ho Chi Minh thought. This is manifested in the formulas, policies, and measures for building revolutionary organizations and controlling the implementation of the revolutionary tasks.

In founding and building the party, President Ho put forth many arguments. Among these, an inclusive argument that provided a basis for building the party is the argument that the party is the product of coordinating Marxism-Leninism with the workers' and patriotic movements.

President Ho built armed forces with the viewpoint "start from the people and fight on behalf of the people." These forces won the trust and love of the people and were given the lofty name "Uncle Ho troops." During the period of resistance against America for national salvation, the saying of President Ho that everyone, regardless of their age, remembered was "Be loyal to the country and filial to the people, complete every task, overcome every difficulty, and defeat every enemy." This was the guiding idea in successfully building the heroic Armed Forces of our people.

President Ho built the country based on the view that the "people are the masters of the country," the "authorities, from the primary level to the central echelon, are elected by the people and are there to serve the people," and "state cadres are the servants of the people; they are not revolutionary mandarins."

President Ho built an all-people solidarity bloc with the policy of establishing a broad united national front. A

tremendous idea in guiding the construction of an all-people solidarity bloc and building a united front, which was a decisive factor in the victories of the Vietnamese revolution, was: "solidarity, solidarity, great solidarity. Victory, victory, great victory." This great idea encouraged and gathered the forces of all the people in the long-term struggle to win independence. This great idea continues to encourage and gather the forces of all the people in the movement to renovate the country and build and defend the fatherland.

From organizing revolutionary forces came the inclusive ideas of President Ho: "The country uses the people as the root," "the revolution is the work of the masses and not the work of heroic individuals, and everything is by the people and for the people," and "the people are the decisive forces in the victory of the revolution." In the resistance against America, President Ho often mentioned the saying of the people: "For long-term tasks, without the help of the people, it will be difficult to complete the tasks."

Sixth, Ho Chi Minh was a great person not just because of his creative theoretical thinking or because of his great strategic decisions and resolute and effective organizational activities but also because of his moral qualities and style of revolutionary activities. More than anyone else, President Ho gave much attention to forging revolutionary morals, because "only if you are strong will you be able to bear the weight and go far. Only if revolutionaries have revolutionary morals as a foundation will they be able to complete the glorious tasks of the revolution." [Footnote 4] [Ho Chi Minh, "Selected Works," Su That Publishing House, Hanoi, 1980, vol 2, p 94] He said that revolutionary morals are the "foundation," the "root," and the "strength" of revolutionary cadres. For him, revolutionary morals meant traditional ethical values improved by Marxist-Leninist ethical viewpoints. These are not something abstract or utopian but ordinary and very concrete things that are easy to understand.

President Ho was the incarnation of a revolutionary who devoted his entire life to the people and country and to the task of liberating the nation and people. He was a person for whom "riches held no temptation, poverty and hardship could not shake him, and he would not submit to military power." He was "diligent and frugal, incorruptible, fair, and unbiased." He was a great person but very unaffected. His actions matched his words. The poet To Huu made the following observation about President Ho:

President Ho lived like heaven and earth. He loved each stalk of rice and each flower. He wanted freedom for every slave, milk for the children, and silk for the elderly.

With the above ideological values, President Ho not only creatively applied Marxism-Leninism to Vietnam's specific conditions but also contributed to expanding Marxism-Leninism.

Today, the entire party and all the people are carrying on an all-round renovation movement based on the spirit of

the resolutions of the sixth and seventh party congresses. In the renovation process, the party is constantly adhering to and making creative use of Marxism-Leninism and Ho Chi Minh thought in order to promptly and correctly solve the problems that have recently arisen in revolutionary practices.

With a thorough understanding of the great ideas of President Ho Chi Minh, implementing his sacred Testament, we are adhering to the socialist path that he chose, promoting renovation, and resolutely struggling to build Vietnam and turn it into a prosperous and strong socialist country where the people are prosperous, free, and happy and where there is justice and democracy. This is the best way to show our loyalty to the ideals and work of President Ho and to show our feelings and profound gratitude to him.

### A Few Thoughts on Ho Chi Minh Thought

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 16-18; 23

[Article by Ha Huy Giap; not translated]

### The Dialectical Nucleus of President Ho's Ideological Method

923E0013C Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 19-23

[Article by Professor Thanh Duy, M.A. in philology]

[Text] As a great thinker, President Ho Chi Minh left us not only an ideological system manifesting patriotic views, views on socialism, and views on the new man, the party, revolutionary morals, humanitarianism, and the new culture but also an original ideological methodology that both manifests the dialectical thinking of Marxism-Leninism and inherits the dialectical factors in the thinking of the Vietnamese nation.

President Ho did not explain his ideological views in theoretical works, even though he attached great importance to theory. Instead, he expressed his ideological views through practical activities, in speeches and writings, and in literary works in order to guide revolutionary activities. President Ho's theory has been put into practice, and things have been coordinated in practical reform activities.

One thing about which President Ho was particularly concerned was effectiveness in revolutionary activities and the final target that he was aiming at. Today, what we want to learn from him is not just the results or "products" of action but also, and this is even more important, the way to achieve results, the path that will lead to the final goal of the revolution. For Marxism-Leninism, this is the method of dialectical materialism. But for President Ho, the dialectical methods of Marx have been tempered by President Ho's way of understanding and expressing things so that everyone can understand things, approach the dialectical method, and



apply this in order to achieve results in actual practice. Thus, Ho Chi Minh's ideological methodology contains original features that everyone can sense but that are very difficult to express in words. In this article, I cannot hope to fully explain the originality in the ideological methodology of Ho Chi Minh. All I want to do is discuss a few aspects concerning the dialectical core in his ideological methodology.

1. Based on the conflicts in life, the distances in the universe, and the ideological differences, President Ho constantly sought unity instead of conflict, closeness instead of distance, and similarity, unanimity, concord, and solidarity instead of differences.

The world always has conflicts. There are rich and poor people, there are oppressors and the oppressed, there is the Western world and the Eastern World, there are differences in thinking that lead to conceptual conflicts, and there are many other differences that are common in every age. With communism, a number of conflicts or conflicting phenomena can be resolved, but it should not be thought that differences, even ideological differences, will be eliminated from the world.

In a varied world, there are things that must be abolished. A struggle must be waged to eliminate these things, such as oppression and exploitation among people and nations and the illegitimate gap between rich and poor. But there are also things that we must strive to develop and strengthen such as freedom and equality among people and nations and the development of cultured people. We must strongly exploit man's existing potential in all respects. These two aspects, looked at superficially, seem to be in opposition, but in actuality, they are unified. The one depends on the other. Or to be more exact, only if one aspect is resolved will it be possible to resolve the other. This is a dialectical conflict. In order to revolve this conflict, people usually focus their attention on struggle methods. There is a struggle between the opposing aspects in order to revolve the conflicts and develop. This is the most common law of nature, society, and thinking. This is also an element in the method of dialectical materialism of Marx, Engels, and Lenin.

But on the other hand, in the method of dialectical materialism, among the opposing aspects, there is also unity, and this unity is the precondition for survival according to materialism. Without unity, the conflicts that we perceive will not be conflicts of the dialectical method. Because of this, the method used to resolve the conflicts is usually one-sided struggle. It's a struggle to eliminate the opposing aspect, which at the same time eliminates aspects that are not in opposition. Thus, while resolving conflicts using struggle methods is a correct method, it is not the only method. There are also other methods to resolve conflicts or handle opposing aspects. Naturally, the choice of a method also depends on the specific situation, on the targets, and on the arts of the subject.

President Ho gave attention to two aspects in his ideological methodology: struggle and unity. But the striking thing is that in his ideological methodology, he did not focus on conflicts but concentrated his efforts on finding unity, closeness, unanimity, concord, and solidarity. Solidarity was the highest target that he constantly sought to hit. In his view, solidarity would lead to victory.

However, this does not mean that President Ho ignored the struggle aspect. For our nation, patriotism has been a widespread ideological tradition for many generations. Out of a sense of patriotism, many people have made sacrifices. Out of a sense of patriotism, President Ho resolved to find a way to save the country, a gesture that manifested a lofty and courageous struggle spirit. But unlike other revolutionaries such as Phan Boi Chau and Phan Chu Trinh who preceded him, President Ho started from a different ideological method, an art that approached the truth in another way, that showed his great originality. Thus, he found a way to save the country that was in accord with revolutionary truth and moved the revolution forward to victory.

President Ho saw the faults and cruelty of the French colonialists, but he also came in contact with the French people and saw their deep sympathy. Looking at the working class in many imperialist countries, he saw that their situation was not much different from that of the people in his own nation, that is, they too were cruelly oppressed and exploited, they had to suffer injustices, and they suffered material and spiritual deprivations. But even more important, he saw the strength of a revolutionary force that he had probably never seen before. That is the strength of the world working class. Based on that, he looked for a revolutionary motive force not only in struggle but also in the unity and sympathy of progressive people, above all the world working class. He concentrated his efforts on getting the people of the world to sympathize with his nation and later tried to forge solidarity among the oppressed nations. Because of this, he supported Leninism, took up Lenin's banner of liberating the oppressed peoples, and sought revolutionary truths. Thus, he succeeded not only because of his combat nature but also, and primarily, because of the fact that in his ideological methodology, all efforts were focused on finding unity in thinking and then unity in action. He underwent a great change in his thinking in moving from patriotism to real proletarian internationalism.

Coming from a poor and backward colonial nation, looking at the advanced industrial countries that had a strong working class and the most advanced science and technology in the world, President Ho could not help but think about the great differences between the East and the West and between countries and peoples. He saw the conflict between the backward standards of the nation and the need to develop to keep up with the modern world. Because of this, he wanted not only to liberate the nation but also to liberate society and free man from poverty and backwardness. Based on Leninism on

national liberation, President Ho decided that the right path for Vietnam was the path of socialist revolution. That was an innovative and scientifically-based choice based on a correct ideological method. This was aimed at focusing efforts on solidarity and unity and finding strength in this solidarity and unity. From Leninism, President Ho attended the Third International and became the first Vietnamese communist.

The dialectical nucleus in Ho Chi Minh's ideological methodology is not manifested in this or that direction or in this or that aspect but in relationships that are directed toward developing based on the requirements of the age and of science and culture. This nucleus is also manifested in the fact that President Ho always viewed the world as a whole, with each nation being an organic element of a unified world and with each nation having unity among the individual members of the nation even though there might be many differences stemming from historical circumstances or the living environment of each person. Because of this, people can live together under the same sky. Even though people may have different aspirations and hopes, they still share a common national psychology, they have the same enemy, they all have a patriotic spirit and a concept of nation, and they all share a long cultural tradition left to them by their forefathers. In short, among the individual members of a nation, even though people may have originated from different classes, they all have basic points in common.

Using the method of dialectical thinking, President Ho recognized the very basic positive aspects of each social stratum and of each member of the nation and brought about solidarity and unity, the strength of the nation. Naturally, he did not forget the struggle against the negative aspects and remnants of the old society or ignore the faults that had arisen in the new society. But for him, a struggle was not aimed at eliminating something, even the elimination of just one person. Instead it was always aimed at reforming things, limiting the negative aspects and developing the positive aspects, and building perfect people and a superior society. For him, struggle, including the class struggle, was just a means aimed at unifying the nation and unifying the reason and strength of the people in order to defeat nature, poverty and backwardness and defeat the nation's enemies, including the enemies of reason and human dignity. With this ideological methodology, he solidified all strata of people without regard to religion, ethnicity, and even political view and created a unified bloc and real strength in order to fight for national independence and build a new society.

Today, we are living in an age of great changes. This requires that we renovate our thinking and our understanding regarding many aspects. Today, President Ho's method of dialectical thinking is proving its correctness. The same conflicts that existed in the world when Ho Chi Minh lived and fought still exist today. This means that there is still oppression and exploitation, there are still rich people and poor people, there are still capitalist

countries and socialist countries, there are still different ideological currents, and there are still honest people and opportunists. But there is a rather great distance and there are differences between President Ho and us. Almost everyone realizes this, but no one knows why. Is it that we are loyal to him with respect to ideals but have not yet approached him with respect to ideological methods and the implementation of the common ideals? In his revolutionary work, President Ho always moved toward the goal of peace and sought unity, concord, and solidarity even though there was a struggle between capitalism and socialism. He realized that both capitalism and socialism needed to renovate thinking, which is what we are striving to do today. He saw the faults of capitalism, but he did not reject the pure aspects. He recognized the historical role of capitalism and its positive aspects. Conversely, he never thought of socialism as a perfect society. Thus, in many of his writings, he frequently called for reorganization. He appealed to people to oppose corruption, bureaucratism, and the degeneracy of a number of cadres and party members. Because of this, what we must learn from President Ho is not just a revolutionary spirit but also a revolutionary methodology, a method of dialectical thinking that is imbued with the his ways of approaching the truth and winning.

2. Based on the original ideological methodology discussed above, President Ho was able to handle the relationship related to the people living alongside him or in his country even though his eyes were focused on the vast space of the world. For him, every theory, ideology, system, and idea was focused on man and had to serve man's quest for real and concrete freedom and happiness, not idealistic or utopian freedom and happiness. The dialectical nucleus in his ideological methodology is manifesting correct and practical concepts in many relationships related to man to preserve and respect what is legitimately unique and to maintain unity and protect the common interests, such as the relationship between the individual and the collective, the relationship between citizens and the fatherland, the relationship between classes and the nation and between the nation and the international community, the relationship between the party and the people, and the relationship between people. In short, we can see that he was concerned about all aspects in the relationships related to man and that he had a correct and dialectical concept based on common principles and common interests that were in accord with both communist humanitarianism and national principles.

Thus, we feel that all of President Ho's statements about principles and morals and about overcoming the weaknesses in each person in order to become perfect and cultured men are very persuasive. This is because Ho Chi Minh set a vivid example concerning a perfect man and a man of the civilized world. Furthermore, Ho Chi Minh set an example in coordinating word and deed. He manifested the idea of liberating man through concrete actions and suitable measures that benefited each person

without harming the common interests of the collective. Conversely, President Ho implemented the famous truth put forth by Marx and Engels: "The growth of freedom for each person is a condition for the growth of freedom for all people." President Ho did not repeat Marx or put forth abstract theories that were difficult to understand. Instead, he often used the existing concepts in our national thinking such as loyalty, filial piety, diligence, frugality, honesty, and uprightness. For our nation, every ordinary person can understand the worlds loyalty and filial piety. He relied on the concepts loyalty and filial piety to form a new concept: loyal to the country and filial to the people, which is easy to understand and easy to inculcate in the people. Using this method, President Ho propagated Marxism-Leninism in our country and imbued a people who had been limited with respect to dialectical thinking with the dialectical method of Marx in carrying on practical activities and in understanding and handling complex relationships usually present only in capitalist societies.

Using the methods of dialectical thinking, President Ho overcame the simple thinking found in a backward people who do not have a clear concept of the individual "me" and the collective, from which can easily come a tendency to develop rightist or leftist ideas. And because of this, people usually can't grasp the method of dialectical thinking in understanding and handling relationships related to human rights.

The problem of man is always the concern of all philosophies, ideological currents, and religions. Marxism-Leninism is a philosophy for man that is aimed at liberating man in all respects. Marxism-Leninism "not only explains the world in many different ways but also has been and is reforming the world." Here, we are particularly concerned about the meaning of the word "reform." In reform there is transformation, change, and revolution. And today, it can be said that there is also renovation and reorganization. However, in a philosophical sense, reform contains various conflicts: conflicts

between what is outmoded and what is rational, progressive, and in accord with the requirements of development. In reform, the orientation is to resolve the conflicts based on the laws of development. In particular, the good, positive, and progressive aspects of the world in general and of each person in particular must be preserved. Otherwise, that cannot be called reform, and the concept of reform won't contain anything wonderful or worthy of praise with respect to Marxist-Leninist theory. Once it was realized that the basic problem of philosophy was world reform, Marxism-Leninism manifested lofty humanitarianism and used philosophy to serve living people and not to turn philosophy into a type of religion as we have seen happen in many other philosophical movements.

President Ho did not say much about philosophy or Marxist dialectical methods. But he was deeply imbued with the essence of Marxist theory, that is, the method of dialectical materialism and its goal of reforming the world. Thus, he believed that communism, the ideological core of which was Marxist theory, could be applied in Asia in general and Vietnam in particular. On the other hand, he also expressed confidence in the revolutionary will power of his countrymen. Based on this, he made very creative use of the basic principles of Marxism-Leninism in Vietnam's specific situation. In making creative use of this, he gave particular attention to the dialectical methods in Marxist theory, and he succeeded in applying that theory to the goal of reforming the world. This success is manifested in many aspects and many spheres of activity. But what is most clear is his discovery that the motive force of revolution is at the same time the core of the dialectical method in the relationships between opposing aspects, that is, unity, solidarity, and concord. That is a matter of being deeply imbued with the philosophical meaning of reform, having faith in people for people, and understanding and correctly solving the problems related to man in the relationships between opposing aspects or the differences between people.

**Socialism—Liberation and Development**

923E0013D Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 24-26

[Article by Nguyen Dang Quang, section chief, Department of Ideology and Culture of the Central Committee]

[Text] The concepts about socialism that were explained in the Program and other documents of the party and that were integrated in the "six special characteristics" and "seven basic guidelines" have oriented and guided the process of socialist construction in our country. These concepts clearly state that our firm position is: Renovation is not a change in socialist targets but something that will enable those targets to be hit effectively through correct viewpoints on socialism and suitable forms, steps, and measures. [Footnote 1] [Resolution of the Sixth Plenum of the Party Central Committee (6th Term), Hanoi, 1989, p 9]

Among those concepts, which main points manifest our new understanding concerning socialism?

The key point in our over-all concept of socialism is the idea of liberation and development. Although this is said to be new, actually, we have a more correct and clearer understanding of the key ideas in Marxism's concept of socialism.

According to Engels, communism, at the theoretical level, is a theory on the conditions for liberating the proletariat. The main target of society is to liberate the laborers.

Where are the conditions for liberating the laborers to be found?

When analyzing the tasks of the socialist revolution in the developed capitalist countries, Marx said that in those countries, the revolution "does not need to implement any ideal. All that needs to be done is to free the factors of society that have just developed in the old bourgeois society" [Footnote 2] [Marx and Engels, "Selected Works," Su That Publishing House, Hanoi, 1983, vol 4, p 99] and "free the social forms of production that currently exist in today's labor organizations (those spawned by modern industry) from the chains of the slave system and from their class nature.... Finally, those forms must be quickly coordinated on a national and international scale." [Footnote 3] [Ibid., p 38]

The result of liberation must be social development, and a basic element is to quickly strengthen the production forces. The expansion of the production forces is an absolutely necessary precondition of socialism. Because without this, everything will be "wretched."

Thus, in socialism, the liberation target is closely tied to the need to develop, particularly the need to develop the production forces. Conversely, the development of the production forces is an absolutely necessary condition

for hitting the target of liberating the laborers. This is the humanitarian and progressive nature of socialism to which we must adhere.

Expressing the above concept in a general way, Ho Chi Minh said that socialism is a means "to enable people to have enough food and clothes, to become happier and happier, to be able to attend school, to have medicine when ill, to be able to retire when too old to work, and to gradually eliminate bad practices.... In short, society will constantly move forward, materials will constantly increase, and spirit will constantly improve. That is socialism." [Footnote 4] [Ho Chi Minh, "Collected Works," Su That Publishing House, Hanoi, 1989, vol 9, p 388]

The socialist model that we applied in the past did not clearly manifest the idea of liberation and development. Furthermore, for a long time, the weaknesses of that model "held back the production forces and wasted much of the motive force for development." [Footnote 5] ["Strategy for Stabilizing and Developing the Economy to the Year 2000," Su That Publishing House, Hanoi 1991, p 4]

Our process of discovering the shortcomings of the old model and gradually shifting to the new model is a process of relearning and clarifying the socialist idea of liberation and development in the specific conditions of our country and the world's new situation.

The process of renovating thinking about socialism has been underway in Vietnam since 1979. The sixth plenum of the central committee (sixth term) held in August 1979 concentrated on analyzing the sluggishness in production and the difficulties in life and economic and financial affairs and made the following important observations:

Production is being held back by the incorrect management mechanisms and policies.

The laborers are not enthusiastic about their work because the direct interests of individuals are not properly respected.

Based on this, the plenum advocated:

The weaknesses in the management mechanisms and policies must be corrected in order to enable production to expand.

The key theme of the policies must be to coordinate the three interests.

The highest standards for evaluating the correctness of the policies (distribution and circulation) are increased labor productivity, expanded production, and improvement in the lives of the people.

It can be said that that was the starting point for the process of renovating thinking about socialism, above all economic thinking. This was also the first attack on the old socialist viewpoint and model. Although it did not

see all the reasons for the shortcomings in the old socialist model, the sixth plenum of the central committee began focusing on the key point: the idea of liberation and development.

This new start has opened the way for discovery and creativity in theory and practice and criticism of dogmatic views and the centralized and bureaucratic centralism mechanism. From the end of 1979 until the sixth party congress, the first renovations were made based on the idea of liberation in all the economic spheres, from agriculture to industry and from distribution and circulation to the economic management mechanism. Without gradually accumulating such renovations it would not have been possible to realize that "for many years now, in our understanding concerning socialism, there have been many outmoded views, particularly the views on industrialization, socialist transformation, the economic management mechanism, circulation and distribution, and so on." [Footnote 6] [Proceedings of the Sixth National Congress of Delegates, Su That Publishing House, Hanoi, 1987, p 125] At the sixth party congress, the idea of liberation and development became the idea guiding the renovation of the socialist construction model in Vietnam. "The guiding idea of the plans and economic policies is to free the existing production capabilities, exploit the potential capabilities of the country, and make effective use of international aid." [Footnote 7] [Ibid., p 47] The target of liberation is to "greatly expand the production forces along with building and solidifying socialist production relationships." [Footnote 8] [Ibid., p 47]

But the production forces include many factors. Thus, on what factors is the liberation of the production forces centered?

The seventh party congress answered that question: The center of the liberation of the production forces is the liberation of man, from the collective to the individual, from classes to the nation, and from economics to politics, culture, and daily life. The main symbol in this liberation is having the laboring people serve as masters of society.

It will take time and the right conditions to hit the target of liberating man. Looked at in a general way, the conditions for this are a highly developed economy based on a progressive culture with a national color. But today, in the process of promoting the renovation movement, we have been striving and will continue to strive to gradually implement the idea of liberation in the daily lives of the people. Everyone is aware of the results, even though there are still many bad things and inequalities in the operational spheres of society.

Socialism's target of liberating man is not an abstract hope. It has concrete contents based on the starting point of each nation when they begin the transition to socialism and on the complex journey of each nation that is moving toward that goal. That starting point and that

journey consist not only of the domestic situation but also the international factors and world development trends.

Analyzing our country's starting point, we have determined that the contents of the liberation movement in our country are to make the people wealthy and the country strong, advance to modernizing things in a society in which the people are the masters and they are unselfish, cultured, and disciplined, eliminate oppression and injustice, and enable everyone to lead a prosperous, free, and happy life. In order to hit the target of making the people wealthy and the country strong based on the socialist path, for Vietnam, the "most important things are to fundamentally improve the backward socioeconomic system and defeat the forces that that hindering our efforts to hit this target, above all the enemy forces that oppose national independence and socialism." [Footnote 9] [Program for Building the Country During the Transition to Socialism, Su That Publishing House, Hanoi, 1991, p 9]

From the liberation target, we must choose a model of development and a development strategy to ensure that that target is hit. This is a socialist-oriented model of development, which is different from the model of development present in the highly-developed capitalist countries. In capitalist societies, there has long been a need to find another model of development and ensure the future for all men and the prosperity of each country. Engels subscribed to the idea of "Mooc-gan," who said that capitalist civilization considers material goods to be the final and only goal of development and that this is a development model that contains the factors that will lead to its own destruction. A century has passed since Engels wrote this. Civilizations that chase after profits and that consume materials have reached an impasse and shown their self-destructiveness. Naturally, the developing countries, which includes Vietnam, should not and can not choose a model of social development that does not have a future and that is without hope.

In our development strategy, we have mentioned the need to closely coordinate the economy with culture and to coordinate economic growth with social justice and progress in order to generate vigorous, effective, and stable development. Affirming that "the target and motive force of development is for man and by man," we have, in reality, chosen a humanistic civilization. We do not approve of the capitalist civilization, which regards profits as the goal, with man being just the means to become wealthy.

As for the socialist-oriented development model that we have chosen, we must also consider the newest knowledge of mankind. Today, socialist concepts can only grow based on a profound understanding of science. These must be based on a correct understanding about ecological problems, the tendency toward internationalization of world economic life and world information, the concept of national independence and zonal coordination, the struggle to establish a new world order, the

need for democracy, universal problems, and so on. Socialism will lose its appeal if it ignores these issues. People everywhere are aware of the crisis of all the development models, including the capitalist model, which has temporarily been effective in various spheres. Thus, our task of determining a development strategy that is in accord with Vietnam's situation and the profound changes in the international situation is not an easy task, but this is something that must be done. We must increase our will power to be self-reliant, exploit the material and intellectual potential of the people, and at the same time expand international cooperative relationships and find the right path and suitable forms and measures to successfully build socialism.

The seventh party congress defined several important but very basic features of the socialist-oriented model of development during the transitional period in our country. In my view, this development model makes integrated use of the role of the following factors:

A socialist-oriented market economy.

A state of the people, by the people, and for the people.

A progressive culture with a national color in which science and technology, together with education and training, are regarded as the leading national stratagem for modernizing the country.

Domestic sources of strength, international cooperative relationships, and zonal cooperation in the new situation.

The correct leadership of the Communist Party of Vietnam.

These development factors will liberate the production forces, exploit the conditions and potential, exploit the material and spiritual energy of the people and Vietnamese nation, and regulate, control, and guide development based on socialist targets.

Each of these factors will play the role that it can in our country's development. No one factor can be made absolute, and no one factor should be regarded as the only factor. In this indivisible whole, we must regard culture as the goal of development and as the motive force and thing that regulates development. This is the

basic difference between the development model that we have chosen and the capitalist model of development. We think that culture (which is the measure of man) must be placed above profits if we are to have stable development and ensure the long-term future of the nation and all men.

Obviously, we have given only a rough sketch of the basic guidelines for solving the country's development problems based on the liberation targets of socialism. From this, we must find rational forms, steps, and measures, which will be a difficult process in which mistakes will be made.

The liberation targets have been manifested in the country's development strategy. The model of development in the economic, cultural, and political sectors must be in harmony with the concept of liberation, and these must focus on concretizing the need to liberate man in every social sphere. The main features of this have been sketched in the seven basic guidelines for guiding the process of building socialism and defending the fatherland. The Economic and Social Development Strategy to the Year 2000 has concretized the development model in the form of major policies in the various spheres.

We still face great difficulties and serious challenges. There are many theoretical and practical issues that have not been clarified. There are many things in which we do not have any experience. It is difficult to eliminate mistakes and weaknesses. But we have established an initial foundation for a socialist model in Vietnam. The year since the seventh party congress has been a difficult test for this model. Reality has confirmed that we have renovated things correctly and that we are on the right path.

### **Is the Class Struggle Dogmatic**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 27-30

[Article by Khong Doan Hoi; not translated]

### **Culture in Economic Development**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 31-34

[Article by Le Xuan Vu; not translated]

**The Vietnam Women's Union and the Renovation of Activities**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 35-38

[Article by Truong My Hoa; not translated]

**Effectively Use All Economic Elements**

923E0013E Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 39-42

[Article by Thanh Son]

[Text] Ever since we began renovating things and implemented a multifaceted economic policy, our country's economic picture has taken on new colors. The state economy, particularly state-operated industry, has experienced serious challenges and has begun to improve since the end of 1989 and gradually become familiar with the market mechanism. As compared with 1990, although industrial production in 1991 did not increase very much (about 5 percent), production of a number of goods such as crude oil, insecticides, fertilizer, cement, paper, syrup, candy, and beer increased well (20-50 percent). Thanks to adjusting to the markets and renovating technology, a number of enterprises have developed rapidly and operated well. These include the Thanh Cong Textile Corporation, the Rang dong Resin Corporation, the Hai Ha Candy Factory, the Bim Son Cement Plant, the Thanh Hoa Tobacco Factory, the Tan Binh MSG Factory (VIFON), the Vietnamese-Soviet Oil and Gas Joint Enterprise, the Ba Son Shipyard, the Vietnam Railroad Federation, the Haiphong Ocean Transport Corporation, and so on.

The non-state economy has expanded. During the past several years, the people of the entire country have invested approximately 200,000 ounces of gold and 300 billion dong in commercial production activities. In 1989 and 1990, the non-state economy generated more than 60 percent of the gross social product and more than 70 percent of the national income. What is worth noting is that the non-state economy has usually achieved higher results than the state-operated economy. For example, in industry, each dong in fixed assets of small industry and handicrafts has generated four-five dong in value of output. But in state-operated industry, each dong has generated only one dong. In commerce, with both using the same commercial area, private commerce has usually contributed five-10 times more to the budget than state commerce.

However, in general, the picture of the economic elements is not very bright. The state-operated economy's use of assets is still very wasteful, and unpaid and uncollectable debts total tens of trillions of dong. Up to 38 percent of the state enterprises are operating at a loss. The production of local industries has declined. Many production installations have gone bankrupt or are facing the threat of going bankrupt. The non-state economy has not developed in the right way. Many

production installations "exist in name only." They have not registered their commercial activities, and they evade taxes. In particular, because of the loss of large amounts of credit funds, the production of bogus goods, the smuggling of goods into the country, and the encroachment on the sidewalks, the people are indignant and worried. The large economic potential (estimated at 20 trillion dong) among the people has not been exploited very much.

In order to use the economic elements based on a socialist orientation, the first thing is to thoroughly understand the principle of economic effect. Economic and social effects are the highest standard of development and the basic principle of commercial operations in a market economy. This principle requires that every element, regardless of the product produced or service provided, that has an advantage must be exploited to the maximum, and it can not be replaced by some other element. This principle also requires the economic elements to engage in joint ventures and coordinate things with each other using many suitable forms based on doing so voluntarily in order to exploit the strengths and overcome the weaknesses of each element. Enterprises consisting of many economic elements can be studied, organized, and tested. In this, the state economy will be the activist. The state must treat the economic elements equally and encourage them to both cooperate and compete with each other.

To make effective use of the economic elements, we must continue to renovate the economic management mechanism. The enterprises subordinate to the economic elements must really switch to commerce, coordinate the plans with commercial operations, use the plans in order to guide commercial activities, and use commercial operations to implement the plans. The enterprises' system of commercial independence must be fully implemented based on the "five selfs" theme: commercial independence, commercial freedom, self payment of financial debts, self distribution of income, and self management of the enterprise. At the same time, state economic management must be renovated. The state must not interfere in commercial activities but must concentrate on carrying out its macrocosmic economic management function well in order to create a favorable environment for business. The state's most important function is to promulgate a legal system and manage the economy in general and the enterprises in particular using the laws.

Our enterprises, particularly the state enterprises, have suffered the effects of many years of the bureaucratic centralism and state subsidies management mechanism, and because of this technique and technology are very backward. In terms of equipment, some enterprises are decades behind the advanced enterprises in the world. Because of this, in order to make effective use of the economic elements, we must quickly renovate technology in order to produce good commodities with the ability to compete on world markets. The only way to do this is to integrate our country's economy with the world



economy, build export processing zones and free economic zones, and create an attractive political, economic, social, and legal environment in order to attract investment capital and the new technology and management experiences of other countries.

To make effective use of the economic elements, a decisive problem is to quickly train businessmen. Businessmen do not have to be "men of action" like a professional cadre or "technical geniuses" like engineers. Obviously, that would be good, but it is not the main thing. Businessmen must above all be economists. Furthermore, they must be sociologists. They must be people who have business sense and a strategic view, who are in tune with the market, who are vitally interested in profits, and who will dare to think and act and to take responsibility. They are people who know how to deal with the situation and how to work with people. In particular, they are people who can work with other businessmen in the world.

In order to make effective use of the economic elements, something that is very important is that the state must soon promulgate economic laws and renovate state economic management in order to create a favorable environment for the enterprises subordinate to the economic elements to cooperate and compete with each other.

Based on the general solutions discussed above, the state-operated economy must be renovated, and the non-state economy must be resolutely expanded.

#### **Renovating the State-Operated Economy:**

Not only in our country but in almost every other country in the world, the state-operated economy (or state economy) achieves fewer results than the private economy. For example, the National Railroad Corporation in Japan (JNR) manages 21,000 km of railroads, of which almost 2,000 km are high-speed lines. It began operations in 1964 but has suffered losses. By 1987, it had accumulated losses totaling 14 trillion yen, with long-term debt totaling 24 trillion yen. During that same period, the privately-operated railroad corporations, which managed approximately 8,000 km of narrow-gauge lines, managed to survive and earn large profits. In Thailand, most of the 70 state enterprises are suffering losses, with total losses as of 1986 reaching \$1.7 billion. It can be said that this is an "incurable" disease of the age. Many countries are studying three ways to treat this disease: privatizing operations, varying ownership in a corporation or enterprise, and maintaining the state form but implementing management proposals.

A widespread solution that has been used by many countries is privatizing operations and selling shares. For example, Japan has sold shares in the JNR railroad corporation and privatized the telegraph and telephone corporation. In England, since 1979, state enterprises and corporations valued at \$31 billion have been sold to people in the private sector. In France, nine main industrial groups and 36,000 large companies have been privatized. In 1987, Thailand announced a program of

privatizing certain elements or all elements of the state enterprises. In 1986, Singapore established a committee to abolish the state economic sector and sold shares to 41 corporations. The Philippines is privatizing 119 state enterprises. In 1969, South Korea sold the national airline. In 1982, it sold the petroleum company and the energy industry corporation and sold stock in the telecommunications corporation. In 1982 and 1983, it sold seven banks. After they were sold, the above corporations showed increased revenues as compared with before.

In the United States, public opinion polls have shown that almost 70 percent of all employees want to work for a corporation in which they own shares or in which they own all the shares. Based on this, they have put forth share programs based on the principle: "The shares of a corporation must belong to the people working there." In the 1980s, there were about 10,000 corporations in which the employees owned from 1 to 100 percent of the shares. At the beginning of the 1990s, at the "share" corporations, the employees owned an average of 35 percent of the shares, and there were 2,000 corporations that were almost wholly owned by the workers.

Neighboring countries such as China and Laos have been and are implementing share and privatization policies. China is allowing collectives or individuals to lease state enterprises in order to continue production under the management of the new owners. It is selling shares in enterprises to the workers at those enterprises in order to get them to take an interest in making a profit. Because only if there is a profit will their shares pay dividends. Laos has allowed individuals in the private sector to lease a number of state enterprises.

What can we do to make the state-operated economy in our country effective? This is a problem for which there is no concrete solution. Based on the renovation line of our party (vary ownership) and the experiences of many countries, many people think that we should do the following:

The state economy should be maintained and expanded in only a number of specific sectors that the state must control in order to regulate the economy effectively. These are special production spheres such as the printing and issuing of currency, national defense industries, the production of special chemicals, and so on. These are important production and service sectors that are related to the equilibrium of the economy such as electricity, coal, cement, iron and steel, petroleum, air, rail, and sea transport, information, and post and telecommunications. (However, in these spheres, along with the state enterprises, there are also enterprises that belong to other economic elements.) This also includes major programs such as public health, education and sports and sectors in which other elements won't participate because of the lack of conditions or because results are low. On the other hand, every effort must be made to invest in renovating technology and management and training the directors so that they have qualities and capabilities



suited to the market mechanism and can run these enterprises. We can study and use management models used by many countries—"board of directors, management directors, and enterprise control boards"—in order to ensure the management rights of the directors and limit negative phenomena such as authoritarianism, bureaucratic centralism, corruption, and waste.

As for the majority of the remaining state enterprises, shares will be sold, they will be privatized or leased out, or they will be disbanded depending on the specific conditions. It should also be added that selling shares is not aimed solely at recovering capital (based on the experiences of many countries, only about 10 percent of the gross value of the enterprise can be sold in the form of shares). An even more important target is to improve results. Thus, in addition to selling shares, a new form should be used, dividing shares. Specifically, enterprise capital will be divided into two main shares: the state will own 60-70 percent of the shares, and the workers and civil servants will own approximately 30-40 percent. The share of the workers and civil servants will be divided among them equally so that they earn dividends. There is nothing wrong with this theoretically, because the goods produced by the laborers and the assets of the enterprises do not belong just to the state but also to the workers. Also, this won't be harmful, because the assets will still be at the enterprises where they are used by the workers. This will make the workers and civil servants more interested in the assets of the enterprise and encourage them to strive to produce even better in order to earn larger dividends.

For us, the share system is something new and difficult. Because of this, we must experiment in order to gain experience and then gradually expand things. As for how we should proceed, we can:

Inventory and evaluate the assets and divide the various types of shares.

Formulate statutes for the share corporations and other related documents.

Organize shareholder congresses in order to elect boards of directors and control boards and select managing directors.

Renovate the operations of the enterprises in accord with the statutes of the share corporations.

#### **Resolutely Expanding the Non-State Economy:**

There must be a comprehensive and dialectical way of looking at the non-state economy. In evaluating the non-state economy, we should not look just at several hundred private enterprises or at a number of collapsing production installations. Instead, we must look at the broad economic force that exists and that is expanding in society. This includes the tens of millions of peasant families with the credentials of independent commercial units that are playing a key role in agricultural production. This includes the more than 1 million forest

workers who have received land and forest areas to engage in commercial production and build gardens. This includes the almost 2 million small industry and handicraft workers who produce almost one-half of the value of industrial output. This includes the millions of small businessmen who are responsible for almost 60 percent of the volume of retail commodity sales and more than 80 percent of the service transactions. This also includes the 14,000 rural industrial installations that are producing a large volume of commodities for society.

We must be aware of the negative phenomena and confusion not only in the non-state economy but also in the state economy, including in the important spheres. This is without mentioning that many of the negative phenomena stemming from the weaknesses in the state economy have "lent a hand" to the non-state economy or enabled the non-state economy to "take shelter."

Based on the above view, we can put our minds at ease and resolutely expand the non-state economy based on the renovation line as follows:

We must solidify and expand the collective economy, with the cooperative form being widespread. Involving people who are working separately in cooperative forms of work must start from the production requirements and economic results, and this must be completely voluntary. The scale and form of contributing capital and manpower, the degree of production collectivization, and the method of distribution must all be decided on by the members of the collectives. It isn't necessary for every cooperative to immediately switch the means of production to collective ownership. The organization and operations of the cooperatives are not dependent on administrative boundaries. A family can participate in many different cooperatives simultaneously, and they have the right to withdraw from the cooperatives based on the statutes. In the rural areas, based on the fact that the households are independent commercial units, the activities of the cooperatives must be renovated based on the guideline: concentrate on performing the "input" and "output" services well for the family economy and, together with the village authorities and mass organizations, give attention to the social problems and to building the new rural area.

The individual economy must be broadly expanded in the sectors in both the urban and rural areas, and the contents and scale of business must not be restricted. The individual economy can exist independently and participate in the various cooperative forms or participate jointly with the enterprises based on suitable forms. The individual economy can hire temporary or regular laborers depending on the labor law and labor contracts. The policy of giving households long-term rights to the use of land, water surfaces, and hills must be implemented widely. The state has implemented a policy of supporting production, lending capital, supplying materials, and distributing products with respect to households that are encountering many difficulties.

As the party's Strategy has affirmed, the private capitalist economy can expand without restriction with respect to scale and location of activities in the sectors unless prohibited by law. This is an appropriate viewpoint. So that people can expand the private economy with their minds at ease, it should be understood that in socialist conditions, the private economy is not an independent mode of production with a separate artery and so it cannot spontaneously turn into capitalism. Expanding the private economy is both necessary and profitable for the following reasons: the state will not have to invest but will be able to accumulate through taxes; laborers will have more work, and society will have more commodities; and it will be possible to establish a relationship with foreign private economies. It must be understood that labor strength is a commodity and that encouraging the private capitalist economy to hire more laborers is good because that will create more jobs for social laborers. Naturally, the capitalists must treat the laborers in accord with the labor law and labor contracts.

A number of the state enterprises and private capitalist enterprises should be turned into state capitalist enterprises, and attention should be given to expanding the state capitalist economy using many forms. According to Lenin, the state capitalist economy should not be regarded as just one element but as the economic policy and economic line of the transitional period. Although the state capitalist economy (or state capitalism) is not 100 percent socialism, it is 75 percent socialism. It is closer to socialism than the small-peasant economy. State capitalism is something "unavoidable." It is a "rung on the ladder" and the middle "link" between small-scale production and socialism. It is the "material preparation" for socialism. We do not fear state capitalism, because that is not capitalism. Under socialism, state capitalism is different in principle from under capitalism. Some people have said that the reason why our country's economy and the economies of the East European countries and the (former) Soviet Union have developed slowly and fallen into a crisis is that we have forgotten or failed to use Lenin's theory on state capitalism.

Besides this, we must stimulate the development of the family economy, because this is an important policy for prosperity, as the party's Strategy decided.

### **The Role of the Peasant Family Economy in the Process of Developing a Commodity-Based Agriculture**

923E0013F Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 43-46

[Article by Associate Professor Le Dinh Thang, M.A. in economics, National College of Economics]

[Text] Vietnam's rural area is very large, with 78.6 percent of the total population and 80 percent of all the

laborers in the country living in the rural area. Agricultural laborers account for 70 percent of the country's laborers and 84 percent of the laborers in rural areas. Each year, they produce more than 60 percent of the national income. Thus, expanding the rural economy and society in all respects and building the new rural area holds a very important position in Vietnam's economic and social development strategy. This is a matter that has received much attention in the process of renovating and managing the country's economy.

Based on the realities of many countries in the world in developing agriculture and the rural areas and based on the initial results achieved by Vietnam in renovating agricultural organization and management in recent years, it can be affirmed that the peasant family economy is an economic form that is suited to the special characteristics of agricultural production. Because of this, it has become the primary economic form in the agricultural organization and management system. To ensure that the family economy is really an independent economic unit that develops based on a commodity production tendency, there are many economic and social problems that must be solved.

Voluntary cooperation along with democratic rights and management is a lawful path for upgrading agriculture to large-scale production. However, in the process of using this, along with the results that have been achieved, we have also made many mistakes, one of which is viewing cooperativization as being identical to collectivization. Because of this, we have failed to exploit the commodity production capabilities of the economic subjects, and the peasant family economy has remained a "secondary family economy." But it cannot be denied that the cooperative economic sector has played a very important role in our country. Each year it has earned about 50 percent (in some places the figure is as high as 70-80 percent) of the gross income of the cooperative members and supplied society with about 40 percent of the agricultural commodity products.

Since 1988, particularly since the 10th Resolution of the Politburo on renovating the agricultural management mechanism, agricultural production in Vietnam has undergone a basic change. This is an important turning point in renovating thinking, gaining a more complete understanding about the special characteristics of our country's agriculture and the economic potential of the peasant households, and devising suitable formulas for organizing the economy, creating a motive force for freeing the production strength, manifesting the independence of the peasant households in commercial production, and stimulating economic growth. In almost every locality, the peasant households have been given the right to use the land. Data collected in 1989 in Hoang Lien Son, Binh Dinh, and Dac Lac provinces show that the cooperatives have contracted out 94.8 percent of the rice-growing land to peasant households for five-10 year periods and abolished the land previously reserved for the family economy.

The right to use the land, along with the right to own the other means of production, has created a new motive force and encouraged the peasant households to give attention to production. This is also an important measure to overcome the ownership situation that has existed for many years in managing and using the law and other means of production. Peasant families have become "independent economic units." Because of this, the potential with respect to labor, capital, materials, and experience is being mobilized and used more effectively in intensive cultivation to increase crop yields and livestock production.

Naturally, as already analyzed, independence and self-management can manifest an effect only in an environment of cooperation and linkage through the service activities of the cooperatives with respect to the peasant households. There must be voluntary linkage between the cooperative economy and the family economy in gradually shifting to commodity production.

As for the results achieved in agriculture since the 10th Resolution of the Politburo on renovating the agricultural management mechanism, the growth of the peasant family economy and, above all, the level of commodity production, must be mentioned. In general, our country's level of development of commodity agriculture is not high, but a number of localities have made a number of notable initial advances. Data collected by the Statistics General Department in Hau Giang, Binh Dinh, Hoang Lien Son, Cac Lac, and former Ha Nam Ninh Provinces show that the commodity ratio for the five provinces averages 19.07 percent. In Hau Giang Province, the percentage reached 43.29 percent, reaching 85 percent for pork.

In many localities, many households are making a good living and have clear commercial goals. However, there are still few wealthy households, and they are not spread evenly among the localities. In general, these families play a rather important role at the commodity economy points. If we can create a cooperative environment and if the state regulates things suitably at the macrocosmic level, these families may be able to manifest an even better effect in expanding the commodity economy in the hamlets and villages. However, in the income structure of the households, revenues from agriculture will still account for the major portion: 73.31 percent, with revenues from forestry accounting for only 4.72 percent and revenues from trade accounting for 21.96 percent.

Along with the results discussed above, there are also many problems that we must continue to study and solve:

First, the fields are small and dispersed. Conditions have not been created for the process of joining fields to stimulate commercial tendencies. The average farming area per household in the Red River Delta is 0.3-0.4 hectares, in Duyen Hai in the midlands it is 0.3 hectares, and in the Mekong Delta it is 0.6-1.5 hectares. The

self-sufficient production tendency of the peasant households is still primary. The main reason for this is that we have not yet solved the land problem (the relationship between ownership rights and land use rights). This requires that we create a favorable commercial environment for the family economy. In this, every production factor must be freed from non-economic ties.

Second, input and output services for the peasant families have not satisfied the needs. The state service organizations have not done a good job in tying commercial activities to production support based on the new mechanism. The cooperatives have not switched to service activities, and up to 60 percent are just formal in nature. The lack of business capital is causing difficulties for many peasant families (approximately 40-50 percent of the households lack capital).

Third, an urgent problem is creating jobs and income for rural laborers. Today, more than 30 percent of the laborers in the rural areas do not have a job or lack sufficient work. At the same time, little attention is being given to expanding the other sectors, and the traditional occupations are narrowing and sinking into oblivion. This shows the conflict between joining and concentrating the fields in order to switch to commodity production and promoting a division of labor and transferring some of the agricultural laborers to other sectors in the rural areas.

Fourth, although the tendency to expand commercial households has increased, the macrocosmic management role of the state is not strong enough to guide development.

In view of the above problems, in order to enable the peasant families to develop in accord with the commercial household tendency, a series of problems concerning macrocosmic management must be solved. In this article, I want to discuss only a few main measures.

#### 1. Solving the land problem:

In a commodity economy environment, in order to resolve the conflict between legal ownership rights (ownership rights) and actual ownership rights (use rights) to the land, the fields must be turned into an economic factor. Use rights must be exchanged and transferred in order to ensure profit capabilities. This is also a basic condition for freeing the fields from non-economic shackles, stimulating the movement of business capital, and creating the conditions to turn agricultural occupations into a commodity business. Thus, the essence of exchanging and transferring land use rights is to change the model for implementing economic interests through implementing those ownership rights. Transferring land under the form of exchanging valuable documents will not only create an opportunity for concentrating the fields but also manifest the strength of a monetary economy in destroying the natural, in-kind economic structure and gradually form a commodity economy structure in agriculture.

In order to do this, it must be affirmed that the arable land belongs to all the people, who are represented by the state. The state's function is to manage things through the land laws and other legal documents, regulate long-term land use rights for the peasants and economic organizations that need to use land, and systematize the right of the peasants to transfer the land to which they have been given long-term use rights.

## 2. Promoting cooperative relationships in the rural areas:

It must be realized that if the family economy is to develop effectively and with a commodity production orientation, cooperative themes and forms must be varied in the rural areas. Depending on the goal, cooperation among peasant families and between peasant families and cooperatives and state farms or other economic organizations can be carried on using many forms: creating and using capital, carrying on commercial land activities in accord with the contracts, using the manpower, and carrying on supply and distribution. Through the cooperative relationships, the peasant families can manifest their strengths, limit their weaknesses, and reduce hazards in production and business. In talking about cooperation, we must also mention input and output service activities for the peasant families. Here, on one hand, the independence of the peasant families must be affirmed in selecting forms and modes of service organization required by production. On the other hand, it must be realized that the cooperatives and the collective economy play a very important role in organizing the supply of services that the peasant families alone can't supply or which they can't supply adequately. Reality shows that in places where the cooperatives have actively shouldered the tasks that can't be done by individual families, the role of the cooperatives has been increased and the peasant families have been able to concentrate on handling the tasks that play to their strengths. Conversely, if this is not done, the cooperatives become just empty forms that cause problems and that hinder the development of the family economy.

## 3. Dealing rationally with loan interest rates:

Here, the macrocosmic control of the state consists mainly of maintaining an equilibrium between interest rates and the capital capabilities of society based on dealing efficiently with the relationship between interference by the state with respect to interest rates and interest rates that move in accord with the free market mechanism. The difficulty in handling this relationship is to both adhere to the principles of a market economy in controlling interest rates and to ensure that priority is given to the interest rate policy regarding agriculture. Thus, in agriculture, things must be divided into two sectors:

Sector I: Interest rates that fully obey the principles of the market mechanism. In this sector, the following requirements must be observed: 1. Real interest rates

must be true in order to ensure normal conditions for the currency organizations. 2. The profits of the investment projects must be higher than the interest rates calculated based on the amount of money used for those loan projects. 3. Interest rate fluctuations on the free market must be monitored in order to be able to deal with this quickly. 4. Because Vietnam's economy in general and its agriculture in particular will, sooner or later, be integrated into the world economy, the interest rate mechanism with respect to our country's agriculture must be viewed based on surveying interest rates on the capital markets of the world.

Sector II: Interest rates that are partially subsidized by the state. Reality has shown that state subsidies must be eliminated, but essential state subsidies for agriculture based on the formulas of a commodity economy cannot be eliminated. The important thing is the final result of the subsidy measures. Subsidies are aimed at helping the poor peasant families and enabling them to rise above their difficult situation so that they can make a living. This is not a free grant as if we were "raising dependents" who refuse to work.

## 4. Using the national reserve forces:

Experience in economic macrocosmic regulation during the past several years has shown that in conditions in which there is still a serious imbalance between supply and demand and inflation is still a problem, maintaining and making efficient use of the national reserves is a basic measure and an important tool that the state can use to regulate the economy and society.

The goal of using the national reserves in managing agriculture at the macrocosmic level is to limit sudden changes that could occur in the commodity and service supply and demand relationship. Whenever natural disasters occur or whenever people begin speculating in the markets, the state will use the national reserves at the key points in order to reduce the "fever" and restore the balance between supply and demand. The national reserves can be maintained in the form of currency, strategic materials and commodities, or both depending on the special characteristics of production and the market situation in each period. Because of the special characteristics of agriculture today, in order to help the peasant families avoid difficulties in commercial production, the state's reserve fund should set aside a certain portion in the form of technical materials to regulate supply and demand and ensure stable and timely supply for agriculture.

5. The operating mechanism of the agricultural services system must be reorganized and renovated from the central echelon to the localities in accord with the state-managed market mechanism. This system must satisfy two requirements: 1. The ownerless situation that existed in the command economy must not be replicated. 2. Technical and industrial standards must be maintained. We must study rational aid policies for the service organizations—plant propagation, protection of

vegetation, veterinarians, and so on—in order to encourage these organizations to support the production and commercial expansion requirements of the peasant families in a timely manner.

6. Building an infrastructure in the rural areas includes population centers, cultural centers, commodity trading service centers, a system of rural area communications, and workshops to repair agricultural implements and process agricultural products. Based on these points and centers, on one hand, the sectors must be expanded, and jobs must be created for the rural laborers. On the other hand, agricultural production must be pushed in the direction of commodity production, and conditions must be created to improve the appearance of rural society. The formation of these points is based entirely on the voluntary cooperation of the peasant families (including private households). However, the state must provide help in the form of capital, plans, and stimulative policies.

In recent years, our country's agriculture has undergone clear changes, and the face of the rural areas has changed for the better. But these changes are still encountering many difficulties. This requires that we have concrete guidelines and specific and synchronized measures in order to create a suitable environment and stimulate growth in the family economy so that it is worthy of being the center in the process of turning agriculture into commodity production.

#### **Financial Problems With Respect to Cultural and Social Activities in Today's Situation**

923E0013G Hanoi TAP CHI CONG SAN  
in Vietnamese No 5, May 92 pp 47-50

[Article by Nguyen Van Chau, head of the Cultural and Social Administrative Department, Ministry of Finance]

[Text] The market mechanism is posing urgent renovation requirements not only with respect to commercial production activities but also with respect to activities in the cultural and social spheres. The state financial organizations have distribution and managerial functions, and they are the means for ensuring that the cultural and social activities change in accord with the market mechanism.

The market mechanism maintains the normal activities of the economic elements, but there must be state management through laws, plans, policies, and other tools based on a socialist orientation. Cultural-social activities are quite varied, which means that there must be large material means in order to ensure that these activities achieve results. To do this, we cannot rely just

on the state economic elements but must also rely on other economic elements. Cultural-social activities must obey the market mechanism, but there must also be state management based on a socialist orientation.

Today, in the cultural-social sphere, there are about 15 million students, 215,000 hospital beds, more than 3 million people who are receiving retirement benefits and social subsidies, more than 100 radio and television installations, almost 200 arts groups, thousands of libraries, clubs, and cultural centers, and so on. There are approximately 1.1 million workers and civil servants in this sphere. Of these, almost 950,000 people work in the public health and education sectors. The above growth shows the superiority of our system. But there are also the consequences of the bureaucratic centralism and state subsidies mechanism of past years, which poses a heavy burden for renovating cultural and social activities in today's market mechanism.

As the seventh party congress stated, above all, the state's financial policy in general must create sources of capital, make effective use of the capital, quickly increase the social product and the national income, resolve the relationship between accumulation and consumption based on gradually increasing the percentage of accumulation, gradually improve the people's standard of living, and implement social fairness in accord with the level of economic development.

Positive steps must be taken to balance the budget: Sources of revenues must be nurtured and expanded, deficits must be opposed, and the expenditure needs necessary to support the common interests of development must be satisfied. If there is still a deficit, the difference must be made up by borrowing money, not by printing money. [Footnote 1] [Strategy for Stabilizing and Developing the Economy and Society to the Year 2000, Su That Publishing House, Hanoi, 1991, p 27]

In order to renovate the financial system in accord with the above strategy, the state budget has been organized as follows since 1992:

The regular expense items must be guaranteed. The main items in this are expenditures for the cultural-social sphere.

The remaining amount is capital construction investment capital and money to pay foreign debts. There are also a number of expenditure items of an irregular, unexpected nature.

This way of organizing things is aimed at gradually increasing the expenditure ratio in the cultural-social sphere. As compared with 1991, 1992 budget expenditures for this sphere increased notably. Specifically:

Expenditure item	Implemented 1991 (Unit: billions of dong)	1992 Plan (Unit: billions of dong)	Percent compared with 1991
Expenditures for education and training	1094	1650	150.8
Expenditures for public health	460	650	141.3
Expenditures for scientific research	98	160	163.2
Expenditures for culture and information	171	220	128.6
Expenditures for social security	1200	1700	141.7

Looking at the above data, it can be seen that the state has paid much attention to the cultural-social sphere, a sphere that was not given adequate attention in previous years. But the above increase in investment is still low and so it is not possible to satisfy all the requirements. The material base and the apparatus in the cultural-social sphere have very large budgetary needs. Money is needed to pay salaries, purchase equipment and technical means (particularly at a time of scientific and technical renovation), and repair, improve, and upgrade the infrastructure. I would like to give an example: In the sphere of general education, the salaries paid to instructors account for 85 percent of the budget (based on the level of investment in recent years). Only 15 percent of the money is available for other items. Thus, how can this sphere avoid declining if it relies only on the state budget?

The problem is that there must be financial solutions in the cultural-social sphere to ensure that this sphere develops in accord with today's market mechanism.

In the cultural-social sphere, Vietnam already has the following forms:

Commercial production installations to produce means for the cultural and social spheres (such as cigarette production enterprises, enterprises to produce means for cultural and information activities, enterprises to produce means to support educational activities, publishing houses, newspapers and magazines, and so on). Depending on their operating conditions, these installations can be turned into independent or subsidiary economic accounting units.

Professional installations (such as hospitals, schools—kindergartens, day-care centers, general schools, and vocational schools—radio and television stations, museums, cultural centers, libraries, scientific research institutes, and so on).

Professional installations to link production and service activities or to implement scientific research contracts (such as colleges and vocational schools). Based on this model, the state probably issued Decision 268/CT to allow the administrative organizations to engage in economic activities in order to overcome some of the difficulties in living conditions and provide jobs for the surplus workers.

The above classification enables us to see that the capabilities for ensuring the financial aspect among the various forms are different. And from this, we can see what the attitude should be and what financial mechanisms are needed to ensure that the activities of these forms are in accord with the present situation.

What is the financial viewpoint with respect to the above forms?

With respect to the production and business installations that are subordinate to the ministries and managerial sectors, the principles of economic accounting must be implemented. To put this another way: things must be implemented in accord with the state's commercial laws. These installations may go bankrupt (or be disbanded) if they suffer losses. Those that survive must preserve their capital and pay taxes just like the enterprises that are subordinate to the ministries and production sectors. The state is responsible for making up the losses or subsidizing prices only for products that support the state in accord with the mechanism for ordering goods.

The reality of recent years has shown that the production and commercial installations subordinate to the ministries and managerial sectors have gradually followed this mechanism. Specifically:

The public health sector has priced medicines based on the market mechanism, that is, it has implemented a one-price retail pricing policy and implemented commercial surplus measures when selling to localities, with this surplus depending on the distance from the pharmaceutical production installations.

It is essential to implement the market price mechanism with respect to the pharmaceuticals sector. This is a scientific-high technology sector that must be able to reinvest. On the other hand, it must be seen that the amount of state foreign currency spent on medicines (raw materials and pharmaceuticals) in recent years has declined greatly as compared with before. In 1991, the state allotted the Ministry of Public Health approximately \$3 million to import medicines, but the imported drugs available on the markets have an estimated value of \$50-60 million. In such conditions, the state obviously can't control the price of drugs, and the pharmaceutical sector must operate in accord with the market mechanism.

In order to solve the drug price problem, the state has increased budget expenditures for hospitals (of course, this increase is still small) so that people can be treated at the hospitals. The state has also increased the level of drug expenditures for tribesmen in the highlands and established a drug reserve fund for the mountain areas. In preventing and controlling goiter and malaria in these regions, in 1992, according to estimates, the state will have to spend approximately 50 billion dong in order to have medicine to distribute to the people free of charge.

In the press and publishing sector, the problem that must be solved is the cost of paper and liquid assets. In order to solve this problem, the ordering mechanism (called subsidies for short) can be followed. Since 1991, the state has set aside 2 billion dong in subsidies to maintain the price of a number of newspapers, magazines, and other publications that support political tasks and keep prices from rising too quickly. At the same time, liquid assets have gradually been allotted to a number of press and publishing organizations (such as THIEU NIEN, NHI DONG, the Kim Dong Publishing House, and a number of other publishing houses) so that they have capital to buy paper. Naturally, this mechanism must be carefully examined from the financial standpoint. As for those newspapers and publications that do not follow the ordering mechanism, the functional organizations are responsible for closely managing the contents and ensuring that they do not pander to vulgar tastes. In 1992, we will continue to use the ordering mechanism with respect to newspapers, magazines, and other political service publications of the party and state.

As for the motion picture industry, since 1990, the ordering mechanism has been carried on with respect to documentary films, current events films, feature films, animated films, and historical films. Along with this mechanism, the movie industry must reorganize its commercial production operations in order to gradually adjust to the market mechanism (recently, the state issued an official decision on the organization of the movie industry). This is the only way for the movie industry to improve the quality of the films. Of course, for the movie industry, the market mechanism is not synonymous with commercialization.

In recent years, in addition to the capital provided by the state budget, the professional installations have used other sources of capital under the form of obtaining and spending money themselves (such as aid, school fees, hospital fees, and school subsidies). The scientific research sector can obtain money from enterprise funds to aid research and development, profits from implementing contracts, revenues earned from test production, and so on. According to 1992 estimates made by the Ministry of Finance, as compared with state budget expenditures for the cultural-social sphere, the above revenue items will have the following percentages: education and training, 17 percent; public health, 58.46 percent, culture and information, 13.63 percent, and scientific research, 87 percent. As for the public health sector, we have implemented a public health and social insurance mechanism and so the revenues of this sector will be quite large. Because of this, state budget allocations for this sector can be greatly reduced.

From the data presented above, we can see the capabilities and potential in mobilizing capital to support activities in the cultural-social sphere and can think about how to solve the financial problems of this sphere. Regarding this, I would like to propose the following:

#### 1. Education:

We must continue to increase the annual budget for this sphere, because education is tied to the human strategy and to raising the people's standard of culture. The question is, how much should be paid by the state and how much should be paid by the people? In my view, we should implement financial solutions in the form of a pyramid:

Level I: In order to implement the law on universal Level-I education and look after and protect the children, the state must have a budget to pay for the regular expenditures such as the salaries of the teachers and the instructional and training expenditures (as for expenditures for instructional implements and textbooks, 6-10 percent of the expenditures for general education should be guaranteed). As for those schools for which the people are primarily responsible, the state budget can provide some aid (in 1992, the state will provide some money in order to separate Level-I schools from primary general schools).

Level II: The state must pay the salaries of the instructors and pay the other ordinary expenditures. The construction of classrooms must depend on money from school fees and school aid funds.

Level III: The state must pay the salaries of the instructors and part of the regular expenditures for teaching and studying. The rest of the regular expenditures and the construction of school buildings must be paid for with money contributed by the people.

Along with the above financial measures, the number of semipublic and private schools must be expanded. Regarding this form, initially, the state can pay part of the salaries, allow them to enjoy the benefits of the social insurance system (naturally, social insurance must be paid when a person retires or has to stop working because of the loss of labor strength), and grant tax exemptions. Besides this, the state must concentrate the budget at the central echelon in order to hit a number of key targets of the education and training sector.

As for college, middle school, and vocational education, the size of the schools must be reexamined based on student enrollment and training sector. The regular index must be reduced, the expanded index for paying schools fees must be increased, and the student scholarship policy must be reexamined, with scholarships awarded only to excellent students and special students such as ethnic minority students. (Today, scholarships account for 33 percent of state budget expenditures.)

Implementing the above mechanism will vary the training forms and create the preconditions for opening semipublic and private schools and classes near organizations and enterprises in order to retrain people. Only in this way will we have many talented people for the country.

As for colleges, in my view, for the immediate period, the state budget should continue to pay the expenses. As for vocational middle schools, the state should pay only the

salaries and a number of training expenses. These schools will gradually shift to semipublic and private forms.

## 2. Public Health:

The problem is to reorganize things in order to make effective use of the treatment network. Today, there are district hospitals with 100-150 beds, but in reality, only 40 percent of the beds are used. Thus, only by reorganizing the treatment network will it be possible to provide additional advanced technical equipment and improve the quality of the treatment.

In the coming period, health insurance measures must be implemented along with charging hospital fees so that health insurance can become a part of life. The scope of private medical treatment should be allowed to expand, but this form must be controlled tightly.

Reorganization of the hospitals should be carried on gradually based on the following model: There must be hospitals that are supported by health insurance funds (service is based on health insurance contributions). There must be hospitals for people who are economically prosperous (treatment and services depending on the needs of the patients), and there must be hospitals for the poor (people who cannot pay for insurance or pay the hospital fees).

The state budget will set aside funds to implement the target programs of the public health sector, such as preventing and controlling malaria, goiter, and mental

retardation, providing population and family planning services, and upgrading and renovating the equipment at the treatment facilities and sanitation and prevention installations. In my view, the target programs should be increased each year.

## 3. Science:

The problem today is to reorganize the scientific research institutes of the ministries and sectors. Today, the ministries and sectors have approximately 300 scientific research institutes. These should be organized based on the model of having an institute-college serve as a scientific research installation.

The various types of scientific research must be classified so that the state can invest rationally. As for the research programs and topics in the social sciences, in my view, the state should guarantee all the expenses. The research programs in the natural sciences that are tied to projects that will make use of the technical development should be paid for in part by state budget funds. The remaining portion should be paid for with money from other sources (such as enterprise funds, loans, scientific research contracts, and so on). Only in this way will the research institutes be effective economically. The test projects and production tests should be tied to the commercial production installations in order to select and evaluate the results of the scientific research projects.

The state should set aside more budget funds for scientific research, but this work must also bring corresponding benefits to the state.



**A Few Thoughts on the Expansion of Private Capitalist Economic Elements in Our Country**

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in Vietnamese No 5, May 92 pp 51-54

[Article by La Con]

[Text] How can we allow private capitalist economic elements to expand in our country in the present stage? This is a question that is closely related to understanding concerning the position of capitalism in history. It must be affirmed that capitalism has played a progressive role in society, because it generated great labor productivity and expanded the production forces much faster than feudalism. Capitalism has generated high labor productivity thanks to the dynamism, drive, and creativity of the laborers and businessmen freed from the control of feudalism. The main motive force behind this dynamic and creative expansion was individual profit. Individuals, with the credentials of a cell of the social collective, had been cruelly trampled on by feudalism. The bourgeois revolution liberated the individual and gave individuals rights and freedoms that were solemnly recognized by the state. During the historical period that capitalism played an active role in building the new society, individuals used those rights and freedoms to manifest their capabilities and create for themselves a worthy position in society. In the transitional period, these successful individuals were often mocked as "bourgeois individuals studying to become nobles." But during the glorious period of capitalism, these individuals were elevated to the position of "great men." Then, during the twilight period of capitalism, the most successful individuals, in terms of wealth, were not the people who were most respected by society, because they no longer played an active role in advancing society. However, they were still the most powerful people, with their power dependent on money.

Our generation is witnessing the great wealth of capitalism. But that wealth is tied to 400 years of stealing the assets, labor strength, and blood of billions of people equal to hundreds of thousands of tons of gold. We know that the oil, steel, and shipping "kings" gained their positions through the suffering of millions of families who went bankrupt as a result of fierce competition. Capitalism's wealth is based on injustice and exploitation.

Socialism wants prosperity and social fairness. It wants to eliminate exploitation. These are lofty goals, and it will take time and require a very difficult and fierce struggle. People cannot be under any illusions or become impatient.

Thirty years ago, when dozens of countries in Asia, Africa, and Latin America gained their independence, 20-30 countries took the socialist path. Socialist "intoxication" caused many leaders to forget the warnings of economists at that time: to eliminate the gap in the level of economic development between these countries and the average capitalist countries, the countries that have

just gained their independence must maintain an average rate of industrial expansion of 4 percent a year for the next 80-100 years. But reality shows that the rate of expansion of these countries has been about 3 percent.

Twenty years ago, we put forth one of the most important tasks of the dictatorship of the proletariat during the transitional period in our country: "To eliminate capitalist economic elements and all forms of exploitation and to block the spontaneous capitalist development tendencies of small-scale production." [Footnote 1] [Contents that need to be grasped in studying the work "Under the Glorious Banner of the Party, for Independence and Freedom and for Socialism, Advance and Score New Victories," Hanoi, 1974, p 8] This "elimination of capitalist economic elements" achieved results in 1975: state and collective economic elements owned 99.7 percent of all the fixed assets of the material production sectors. [Footnote 2] ["Political Report of the Central Committee at the Fourth National Congress of Delegates," Su That Publishing House, Hanoi, 1977, p 29] But in reality our country's economy grew very slowly and even began to stagnate.

The sixth party congress in 1986 frankly admitted the mistakes and shortcomings, drew the lessons, and decided to develop a multifaceted commodity economy in our country, in which there would be private capitalist economic elements. The Program adopted at the seventh party congress in 1991 states that "Private capitalism can operate in sectors that will benefit the national welfare and the people's livelihood as stipulated by the law." This was a new development in the economic thinking of our party.

The importance of the private capitalist economic elements must be understood properly. At the same time, both the positive and the negative aspects of these economic elements must be seen clearly. These can generate high labor productivity thanks to the motive power of individual interests, which stimulates the dynamism, initiative, and creativity of the laborers and businessmen. In the private capitalist economy, there is no motive force as strong as individual interests. Thus, the state must implement policies and have mechanisms to protect the legitimate individual interests and at the same time block the negative tendencies of improper individual interests. These two aspects are equally important. Neither one can be slighted.

To what degree should private capitalism be allowed to develop in our country's economy today? This question must be answered based on actual studies correlating the economic elements in our country's economy. At the same time, we must study the experiences of other countries. According to the calculations of Vasily Leonchikov, an American economist who teaches at New York University and who was awarded the Nobel Prize, in the capitalist countries in Europe, the state economic element accounts for about half of the gross national product, with the other half belonging to the private capitalist economic element. Naturally, under socialism,

the private capitalist element is not as highly developed, but but it should not be limited to the point where it has symbolic meaning only.

Another very important problem that is related to the policies for dealing with and the mechanism for managing the state and collective economic elements is that there must be policies and mechanisms for ensuring that these economic elements achieve high labor productivity just like the private capitalist economic element. To do this, attention must be given to individual interests, and a number of the measures of the capitalist economic management mechanism must be applied in moderation so as not to alter the socialist production relationships. This was tried before in a number of East European countries. Unfortunately, the successful experiments were not evaluated correctly and propagated.

Several years ago, the mass media in the socialist and capitalist countries discussed the work methods of the "Xlu-xo-vi-xe" agricultural cooperation team in Gotvandop District in Czechoslovakia. The value of agricultural products of this "agricultural cooperation team" was just 5.6 percent of the team's gross product. The value of non-agricultural products was 94.4 percent. The non-agricultural products included computers, agricultural machinery, chemical fertilizers, insecticides, and biotechnical products. Besides this, the team also built quite a few projects: four sports centers, two public amusement centers, a school, 26 department stores, 28 restaurants, 12 km of asphalt roads meeting national standards, six bridges, 26 office buildings for central agencies, and so on. But what is worth noting is that even though the value of agricultural products was only 5.6 percent of the team's gross product, that value had very great significance. With 5,500 hectares, which was equal to 17 percent of the farming area of the entire district, the team supplied 46 percent of the meat, 18 percent of the milk, and 86 percent of the fresh fruits and vegetables of the entire district. The team's cereal yields averaged 6 tons per hectare, exceeding the yield of the entire country by 1-1.5 tons. The team earned 5.5 billion korunas in 1989 and 10 billion korunas in 1990.

The secret to the prosperity of the Xluxovixe cooperation team is:

1. Attention has been given to building ranks of scientific and technical cadres. The team has two people with Ph.D. degrees, 20 people with M.A. degrees, and 500 people with B.A. degrees.

2. Attention has been given to building the material base. The team has a scientific research center, a chemical fertilizer plant, many agricultural products processing plants, a microcomputer system, and an airport with many aircraft to support agriculture.

3. Labor discipline has been maintained strictly. If a person comes to work late, he is not allowed to work that day and is not paid his wages for that day. During work time, people are not permitted to drink liquor, even beer. If someone violates this rule, they are fined [illegible]

korunas. Anyone who does not want to work for the team is free to leave, but they can never come back.

#### 4. Bonuses for individual and collective innovations:

Many foreign reporters have visited the Xluxovixe cooperation team. One reporter from a capitalist country said: "Mr. President, you have let us see a model capitalist economic unit. I congratulate you." Engineer Suba, the president of the team, smiled and said: "You are mistaken. It's true that we have used many production organizations of capitalism. It would be foolish not to apply those good lessons. But the ownership and distribution relations all follow socialist principles!"

If anyone wonders how a socialist economic unit could operate based on a capitalist model, the opposite could be argued just as well, that is, capitalist economic units have applied the work methods and ideas usually found in socialist countries. That is the case with the Chrysler Corporation, the chairman of which is Lee Iacocca.

Chrysler is the third largest auto production corporation in the United States behind General Motors and Ford. But looking at capital and yearly revenues, Chrysler is far behind those other two car manufacturers, because those two corporations are ranked No. two and five respectively out of 21 monopoly corporations having the most capital and the highest annual revenues in American industry. Chrysler is not among those 21 corporations. However, Chrysler became well known at the beginning of the 1980s for its decline and subsequent revival.

As for its decline, Chrysler was the first large-scale monopoly corporation to face the threat of bankruptcy, which required that urgent measures be taken to save it. That was during the period 1979-1982 during the seventh economic crisis in the capitalist countries. Chrysler suffered huge losses and had to lay off tens of thousands of workers. It had to ask the U.S. Government to loan it \$1.5 billion to pay off its debts and pay the workers their wages and wait for the crisis to pass. Iacocca kept Chrysler from collapsing and helped it to resist the passive attitude and conflicts of the American administration during the second half of the Carter administration. It had to reserve its material capabilities for the plans to resist the crisis and submit to the increased demands to compete in the arms race of the military-industrial complex. This long crisis lasted until the first half of the Reagan administration. The "Reagan economic doctrine" put forth two basic targets—to reduce the rate of inflation and reduce the budget deficit using counter-economic and antisocial measures. This included removing the restraints on the monopoly corporations, voiding the antimonopoly laws, revising the American constitution, allowing the big fish to eat the little fish in accord with the law of the jungle, cutting social welfare expenditures in order to use the money for the production of weapons, and maintaining unemployment at a high level in order to reduce consumption by the laboring people, reduce demand, and reduce price pressures.

Iacocca strongly opposed the "Reagan doctrine" and the above measures. He proposed managing the plants through unity between the board of directors and the collective workers. He discussed things with the directors, engineers, and workers and listened to their ideas, concerns, and proposals before making decisions. Although there were great difficulties, his decisions were implemented effectively thanks to that unity. Chrysler gradually overcame the difficulties. When the recession ended, Chrysler used this lucky opportunity to restore production. In 1983 and 1984, Iacocca recalled 41,000 workers who had been laid off by Chrysler during the four-year recession. Chrysler's profits in 1984 reached \$2.4 billion, the highest ever in the corporation's 60-year history. That profit was not far behind those of the other two auto companies, which had 20-30 times the assets and receipts of Chrysler. That is, General Motors posted a profit of \$4.5 billion, and Ford had a profit of \$2.9 billion during those same years.

Iacocca strongly opposed Reagan's new tax policy. This tax policy resulted in the real incomes of the richest 20 percent of the population increasing 8 percent while the real income of 60 percent of the population declined or remained about the same. This tax policy eliminated the priorities given a number of civil industries (such as the auto and machine industries) in order to give priority to the military industries.

Iacocca asked the government to resolutely implement the antimonopoly laws in order to limit the closing of

plants and dismissal of large numbers of workers and to limit the movement of plants to other countries, which would result in more workers being laid off. Iacocca proposed: "We need a perfect system of closely-coordinated policies at the center in order to simulate a number of industrial sectors. Implementing such plans is not socialism."

From the two examples given above, we can see that the chairman of Chrysler and the president of the Xluxe agricultural cooperation team have similar work methods and similar ideas about a number of economic and social problems. This is a reality. People can explain this reality in many ways, just as similar realities in the past were explained, which led to many arguments.

As for us, I think that this is related to the new way of looking at socialism and private capitalist economic elements, which is not as rigid and immature as in the past. From this, there can be determination and active measures to implement the party's policies on developing a multifaceted commodity economy, which includes private capitalist economic elements, for socialist goals.

**Rationally Solve the Ownership Problem in Order To Maintain Economic Interest Relationships**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 55-57

[Article by Nhat Tan; not translated]

**Strike the Bell**

923E00131 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 58-59

[Article by Nhi Le]

[Text] Recently, I went to examine party building activities in a number of provinces. I saw many interesting things but also heard many stories that were very disturbing. I would like relate to several things that I think are very strange, but they are true.

**Leadership on a Rotational Basis:**

In Subward H in the city of N, there are 570 party members. The result is a rather strong rank. When I asked how many youth union members there were in the subward, I was shocked when comrades told me that there were only 100 youth union members. There were four times as many party chapters as youth union chapters! I could not refrain from asking:

How do you lead the union chapters?

I was again shocked when they replied:

We divide the leadership work. Four party chapters lead one union chapter.

Then leadership is certainly very tight and good, correct?

Some things are good, but there are also many things about which we are concerned. This is because the responsibilities of each party chapter are unclear. Also, many times, the union chapters don't know whom to listen to.

The secretary of a union chapter said:

The most difficult thing is party development work among youths. In recommending outstanding youth union members for examination by the party chapter, training, and recruitment into the party, we do things very carefully. But after completing the procedures this month, the next month we don't know to which party chapter to send them. After we do send them to a party chapter, we must wait for that party chapter to study and examine things. After one or even two or three years, the letter of recommendation is still being "passed" among the party chapters just in order to receive the response: continue "testing." Some youth union members have had "priority" as party targets for six consecutive years. But in the end, the response has been the word "test." For the past seven years, no one has been admitted to the party!

Leadership is the responsibility of the party. But with this type of rotational leadership, regardless of responsibility, the union chapters have in effect been left on their own. Things are done too much for the sake of form. Is it because the party chapters want to be known as "strong and pure" that there are "youth union leadership" standards? If this is the result, this is very sad for the party chapters and very difficult for the youth union.

**Party Chapters, the Elderly:**

I attended the activities of a party chapter in Hamlet K, Village Y. One good thing was that at a meeting scheduled for 1900 hours, by 1845 hours seven members of the party chapter were present. But what was sad was that these party members were all very old. The theme of the meeting was: Preparations for the party chapter congress. The contents of the activities were quite varied, and the exchange of opinions and criticism was very frank. The party members expressed their ideas enthusiastically with a constructive spirit and a spirit of solidarity. The truth is, I rarely have a chance to attend such a party meeting in a rural area.

In discussing the ceremonies to prepare for the congress, the party members were very animated. Almost all of them said that given the present situation in the world and in our country, the party must act properly, and the ceremonies must be very solemn so that the people see this and so that young people can learn from this. That is very reasonable.

But who will do those things? Who will shout the slogans, pound the nails, and wave the banners? The party chapter is composed only of elderly people. It's difficult to say. I asked:

In recent years, hasn't the party chapter recruited any new party members?

We have tried, but no one is really "ready."

Another comrade said:

That's right. Today's youths are very different. They are very different from us. Many people are very lazy and deceptive and even depraved. We can't expect anything from them.

Another person said:

Today's youths are very impolite. Many children don't know to stand up when someone comes to their house and they constantly fight with their parents. They sneer at higher echelons and don't show any respect for the elderly. If this continues, I don't know what will happen.

I thought about what they had said. Those things do exist and they exist in many places. I really wanted to ease their concerns. But is it true that all of today's youths are degenerate? Right there, I saw the youth chapter carrying on good activities. Perhaps the young forces of the party chapter are to be found there. Fortunately, one elderly man answered me by saying:

Youths shouldn't be blamed for everything. We, too, are to blame. I think that if we want to educate the young generation, we must "approach them" in an objective manner with an attitude of tolerance and sympathy. We must avoid believing only in our own subjective impressions. That will just increase the gap between us.

Perhaps, gentlemen, most of the problems start from this.

**Is This leadership?**

Council of Ministers Decision 217 is not an "all-purpose key," but in reality it has contributed to exploiting the active nature of the commercial production units. At the same time, this decision has given rise to the idea that "217 is pushing the party aside." We do not believe that, but that is something to think about. I don't know if it's because of its obsession with this opinion that the party committee of an agricultural products processing enterprise in District C, Province H, deals with things in a very strange way: The office of the party committee has been set up across from the office of the director. When I asked about this, a member of the standing committee of the party committee said:

You know the answer. It's because of 217!

Why is it because of 217?

Decision 217 gave directors the right to manage business activities. If directors have the right to manage things, they have the right to do everything. Visitors can meet with people only through the director. He acts as if the party committee no longer has any role to play. In the past, when coming to work, everyone had to pass here. Now that is no longer the case. Thus, the party no longer has any leadership rights.

I heard the director say that the party committee and the director work together in a very democratic and collective way and that the party has not been "pushed" aside. (I would like to add that the director used to be the enterprise youth union secretary. He is an agricultural engineer who was elected director just a few months ago.)

Obviously that's the case, but I won't allow that practice to be disregarded. Everything must be approved by the party committee if we want things to go well.

Why did you move the party committee's office in front of the director's office?

Visitors who come to work with the director must first "report" to the party committee and not "by-pass" us.

After all, that is the case. I was very startled. The leadership of the party does not rest on "goalkeepers" like this in order to be affirmed. Leadership rights do not depend on the seating order from outside to inside.

I don't know if that member of the party standing committee at that enterprise understands and agrees with me.

**The American Regime: Corruption and Confusion**

00000000 Hanoi TAP CHI CONG SAN in Vietnamese  
No 5, May 92 pp 60-63

[Article by Le Chuc; not translated]

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